



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

March 13, 2001

H.R. 741

Madrid Protocol Implementation Act

As ordered reported by the House Committee on the Judiciary on March 8, 2001

H.R. 741 would amend the Trademark Act of 1946 in order to facilitate the implementation of the Madrid Protocol, an international agreement that provides for the possibility of obtaining trademark protection in several jurisdictions through a single registration. The bill outlines the administrative procedures that would be followed by companies applying for international protection of trademarks.

CBO estimates that enacting this bill would have no significant effect on the federal budget. Because the bill would not affect direct spending or receipts, pay-as-you-go procedures would not apply. Section 4 of the Unfunded Mandates Reform Act excludes from the application of that act any legislative provisions that are necessary for the ratification or implementation of international treaty obligations. CBO has determined that H.R. 741 would fit within that exclusion because it would implement the Madrid Protocol, an international agreement requiring ratification by the Senate.

H.R. 741 would become effective at the same time as the Madrid Protocol, which the Senate has not yet ratified. Assuming the Madrid Protocol enters into force in 2001, CBO estimates that, subject to the availability of appropriated funds, the United States Patent and Trademark Office (PTO) would incur net costs of less than \$500,000 during the 2001-2002 period to establish a computer database.

United States participation in the Madrid Protocol also could cause an increase in the number of trademark applications received by the PTO. The PTO's costs for processing such applications are fully funded by filing fees paid by the applicants. Those fees are collected and spent under authority provided in annual appropriation acts. Because the income from fees offsets the costs of processing applications, CBO estimates that an increase in the number of trademark applications would have no net budgetary impact.

The CBO staff contact for this estimate is Ken Johnson. The estimate was approved by Robert A. Sunshine, Assistant Director for Budget Analysis.